

Southland Corporation Completes Capitol Milk Purchase

LAUREL, Md. — The Southland Corporation announced that as of Dec. 31 it had acquired substantially all of the assets of Capitol Milk Producers Cooperative Inc. of Laurel for an undisclosed price.

An agreement in principal between the two groups was announced on Oct. 30.

Included in the transaction was Capitol's interest in approximately 350 High's Dairy Stores located primarily in Virginia and Maryland. These stores will continue to operate as High Dairy stores. Also two dairy plants which process milk, juice, ice cream, novelties and cultured products.

The operation will be operated by William R. Kiser, formerly Capitol's executive vice president and general manager. Other High management will also remain in place.

Capitol Milk as an organization has been dissolved with this transaction, according to Blair Penn, spokesman for High's Division of Southland.

Anyone who had equity in Capitol received their check on Dec. 31, permitting the membership to take the tax advantages on the portion that qualified as capital gains, Penn explained.

Markweta McNatt, corporate publicity manager for Southland, noted the sale price of Capitol Milk and supply contracts for the processing plants qualified as proprietary information and would not be disclosed. In an earlier announcement, Kiser said no bid under \$50 million would be considered and the final package would have to include an ongoing 10-year supply contract for the membership.

Most of the former members of

Capitol Milk have joined the Maryland and Virginia Milk Producers Association Inc. Penn speculated that Southland would be buying from many of the same farmers through Maryland and Virginia.

Capitol Milk had established itself as having the highest per member equity level of any cooperative in the nation prior to the sale. The membership was

caught in a Catch 22 situation, Penn said. While Capitol was a tremendous marketing organization, posed and ready to grow. This growth however would take great amounts of capital.

The logical decision was "to liquidate so that the membership could enjoy the fruits of the labors," Penn explained. "Southland recognized the stores'

potential," he added as a reason why Southland purchased the assets.

Southland, operators of the Seven-Eleven convenience stores was attracted to Capitol Milk due to the location of the High's store. Presently there are no 7-11s in the vicinity of the High's Dairy stores, McNatt explained.

The High's stores fit the preferred retail profile for con-

venience stores. McNatt noted that one-quarter of the stores sell gas and one-third are located on corners. Also, 60 percent of the stores are free-standing as opposed to being located in the middle of a strip of stores.

She added that Southland Dairies Group, which owns Embassy Dairy, is one of the three largest milk processing organizations in the nation.

State Conservationist Compliments County District

LANCASTER — James H. Olson, state conservationist, Soil Conservation Service, U.S. Department of Agriculture, credited the Lancaster conservation district with a progressive reputation for good cooperation and coordination of programs, agencies and organizations. "You have a conservation district with leaders who are respected internationally."

Olson listed examples as the Conestoga Rural Clean Water Program, Water Quality Monitoring, the Chesapeake Bay Nonpoint Pollution Control Program and the state nutrient management program. "In this effort, dozens of agencies and groups—federal, state, local, and even individuals—all work for a common good," Olson said.

"The Food Security Act of 1985, better known as the Farm Bill, is changing the way some farmers will be dealing with USDA. Informing them of the changes is an immediate job. An even greater task will be to assure that all farmers who want to participate in USDA programs are able to do so. This will take a cooperative effort unlike anything USDA has put

together thus far.

"Sodbuster is having little effect on this county and for this reason, farmer interest in the conservation provisions is not great. However, the conservation compliance provision will have a major impact on the workload of SCS and the district. With about 5,000 farmers in this county, we, as agencies, cannot wait until 1989 to tell farmers that if they have highly erodible land and want to continue participating in USDA programs they must have a conservation plan by January 1, 1990.

"We need to work together to make sure that farmer understands the program, its options and its benefits. We had a good example during the last conservation reserve program (CRP) sign-up. The Pennsylvania Game Commission actively supported this effort by providing information on how CRP could be used to improve wildlife habitat and at the same time protect soil and water resources. The interest generated resulted in a marked increase in the number of farmers using the wildlife development option.

"The Pennsylvania Fish

Commission has always been a strong cooperator in soil and water conservation and water quality improvement. The secretary of agriculture has joined the secretary of the interior in 'Take Pride in America'. 'Take Pride in America' is a national public awareness campaign to encourage everyone to take pride in the nation's natural and cultural resources.

"It provides another cooperative opportunity which can make Americans feel good about their country and its resources. It is an opportunity to replace littering, defacing of natural areas, and destruction of recreation facilities

with constructive cleanup and development efforts by public groups and individuals. It is an opportunity to encourage people to be a part of preserving a natural or historic site or developing a new or better park. It is an opportunity to instill stewardship into our children and young people," Olson said.

During the business meeting the following officers were re-elected. Aaron Z. Stauffer, Ephrata, chairman; Robert E. Wagner, Quarryville, vice chairman and Nancy Burkhart, secretary-treasurer. Wagner was also elected to the state executive council.

Chambersburg Livestock

Chambersburg, Pa.
Thursday, December 8
Report supplied by PDA

CATTLE: 283. Standard heifers 40.00-45.00; Breaking Utility & Commercial cows 40.00-45.00; Cutter & Boning 36.00-41.50; Canner & Cutter 32.00-35.50; shells 28.00; YG No. 2 bulls 44.00.

FEEDER CATTLE: Med. Frame No. 1, 500-600 lb. steers 50.00-58.00; heifers Med. Frame

No. 1, 400-500 lb. 50.00-52.00; bulls Med. Frame No. 1, 500-600 lb. 52.00-55.00.

CALVES: 415. Choice 83.00-102.00; Good 65.00-80.00; 2 Standard & Good 110-125 lb. 56.00-60.00; 70-105 lb. 47.00-55.00.

FARM CALVES: Hol. bulls 90-95 lb. 55.00-65.00; 100-130 lb. 80.00-105.00; heifers 90-120 lb. 55.00-60.00.

HOGS: 26. No. 1-2, 46.00-47.00.
FEEDER PIGS: 4. Lot 45 lb. 39.00.
SHEEP: 15. Lot Choice 85 lb. wool lambs 61.50.

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